

Remuneration Committee Chair's Statement



How this Directors' Remuneration Report is structured

As an Irish-incorporated company, Flutter Entertainment plc is not subject to the UK's remuneration reporting requirements; however, our preference is for our remuneration policies, practices and reporting to reflect best practice corporate governance for a FTSE 100 company. Accordingly, the Committee complies with the reporting regulations on a voluntary basis.

- This [Remuneration Committee Chair's Statement](#) on pages 154 to 159 provides context for the decisions made by the Committee in the year, summarising, in particular, the proposed new Remuneration Policy and setting out the background and context for this. It also sets out the remuneration outcomes for Executive Directors. A "Remuneration at a Glance" page is included after this section.
- The new [Remuneration Policy](#), which is being put to a shareholder vote at the 2023 AGM, is shown on pages 161 to 170. It sets out details of our proposed new Long Term Incentive Plan ("LTIP") together with a number of other minor changes.
- The [Annual Report on Remuneration](#) section, which runs from pages 171 to 181, details the remuneration arrangements and outcomes for the year under review, and how the Committee intends to implement the proposed new Remuneration Policy in 2023.

For clarity, remuneration is reported in pound sterling, in line with the Group's reporting currency. Where relevant, remuneration is converted to pound sterling from euros, to simplify reporting.

Committee focus in the year

- Discussed appropriateness of the new Executive Director Remuneration Policy
- Consulted with shareholders on proposed new Remuneration Policy
- Discussed and approved remuneration arrangements for new Executive Director and Executive Committee joiners and leavers
- Reviewed the Company's response to increased cost of living pressures for wider workforce
- Reviewed and approved relevant annual bonus outturn and LTIP vesting levels
- Reviewed and approved LTIP awards across Flutter, below Executive Director level

Priorities for 2023

- Continue to keep abreast UK corporate governance changes and market practice
- Monitor the outcome of the UK Gambling Act Review and its impact upon Flutter's remuneration arrangements
- Ensure that remuneration opportunities remain appropriate to attract and retain key talent
- Monitor workforce pay in the context of ongoing global economic challenges, ensuring that pay practices across Flutter continue to be appropriate to attract and retain talent
- Continue strong shareholder engagement
- Consider and set incentive plan targets that are appropriately stretching

The Committee's Terms of Reference are reviewed annually and are available at: www.flutter.com/investors

2022 meeting attendance

Committee members ¹	Date appointed	Attended/ eligible to attend
Andrew Higginson (Chair until 1 September)	Feb 2020 (Chair: Apr 2022)	7/9
Alfred F. Hurley, Jr (Chair from 1 September)	May 2020 (Chair: Sept 2022)	9/9
Nancy Dubuc	June 2021	8/9
Gary McGann	Jul 2015	9/9
Mary Turner	May 2020	9/9

1. All members are Independent Non-Executive Directors, and the Chair of the Board was independent on appointment to that role.

Other attendees

The Chief Executive Officer, Chief Financial Officer, Chief People Officer, Group General Counsel and Company Secretary, Group DE&I and Reward Director, Group Reward Director, Head of Executive Compensation and PricewaterhouseCoopers ("PwC"), our remuneration advisers, attended some or all of the meetings by invitation but are not members. Individuals are not present when their own remuneration is discussed.

The Deputy Company Secretary & Head of Governance acts as secretary to the Committee.

On behalf of the Board, I am pleased to present my first Directors' Remuneration Report as Chair, having taken on the role from 1 September 2022. I would like to start by thanking my predecessor, Andrew Higginson, for his service to the Committee and support in the transition.

Having served on the Board, and this Committee, since 2020, I have seen first-hand how the business has grown and evolved into the global market leading gaming and sports betting company.

The Company has performed exceptionally well over a difficult period in which the management team has completed a game-changing merger which brought us market leading brands such as Sky Betting & Gaming and PokerStars, whilst navigating a global pandemic. At the same time, focus has been squarely kept on winning in the US and ensuring that safer gambling remains at the heart of everything we do through the roll out of our Positive Impact Plan. The strategy developed by our management team has ensured that we continue to grow our presence on a global scale through value-accretive acquisitions such as Jungle Games, tombola and, most recently, Sisal. As such, the size and scale of Flutter today is very different to when the current Remuneration Policy was put in place. Since 2017:

- the market value of the business has trebled from £7.4bn to c.£22bn currently;
- revenues have increased significantly from £1.7bn in 2017 to £7.7bn; and
- The number of Flutter colleagues has trebled from c.7,500 in 2017 to almost 22,000 today.

Flutter is a materially different business since the previous Policy was adopted; it is now a leading global digital business with increased international, and particularly US, focus.

In this context, we have developed a new Remuneration Policy for our Executive Directors. We are proposing some significant changes to our Long Term Incentive Plan ("LTIP"). Below I summarise the discussions we have had with shareholders in developing the new Policy.

2023 Remuneration Policy

Context

During 2021 and early 2022, we consulted extensively with Flutter's largest shareholders on behalf of the Remuneration Committee on proposed changes to our Executive Director remuneration structure. These proposed changes were prompted by Flutter's significant exposure to the highly competitive talent markets in the digital space, as well as the increased size and scale of Flutter.

We were pleased that most of the shareholders with whom we consulted recognised the issues we face and endorsed the need for action. As part of these discussions, the Committee developed a new Remuneration Policy, which included a new consolidated LTIP. It was our intention to implement this Remuneration Policy from 2022.

Around the start of 2022, as with other technology stocks, Flutter's share price declined meaningfully from when we started our consultations, primarily due to:

- market turbulence around events in Ukraine, which saw funds flow out of equity markets to safe haven securities and commodities;
- inflationary pressures giving rise to concerns regarding the levels of disposable income for consumers; and
- increased regulatory uncertainty, particularly within the UK&I market.

This relatively rapid decline created considerable challenges with respect to setting the appropriate targets for the new LTIP, which was then proposed to be based on absolute TSR performance. Therefore, we determined that it was prudent to delay our plans to make structural changes to the LTIP.

We did, however, implement part of our proposal under the existing Remuneration Policy; we increased the CEO's total salary to £1,170,000 (26% increase) and CFO's total salary to £715,000 (20% increase), effective from 1 March 2022. In making these changes to bring the salary levels within the market competitive range, we noted that they would only partly address the issue of competitive remuneration.

The Remuneration Report was passed with 67.55% of votes in favour at the 2022 AGM. We understand that most shareholders that voted against did so in response to the salary increases. The majority of those we consulted with understood the need to ensure that the quantum offered to Executives was competitive. Some suggested that the increases be phased rather than making a single, one-off increase but others urged us to make an immediate and meaningful adjustment. We took the range of views into account when making our decision on the level of adjustment and confirming that making a one-off increase was the most appropriate course of action. We continued to consult with our largest shareholders regularly throughout the year and to take on board their views, as I have detailed below. We also noted that, in relation to the 2022 AGM vote, the voting instructions of certain institutional investors were not correctly reflected in the voting outcome. Had they had been reflected correctly then the overall vote in favour of the resolution would have been significantly above 70%.

Directors' Remuneration Report 2022 continued

2023 Remuneration Policy continued

Context continued

As we now approach the 2023 AGM, we are proposing to enact the new consolidated LTIP and are required to seek approval to either renew our current Policy or submit a new one to a shareholder vote. Whilst the reasons for the market volatility that caused us to pause in March remain, we continue to believe that both an increase to quantum and a consolidated LTIP is a critical factor in enabling us to recruit and retain highly talented senior executives with the global digital talent marketplace. We are therefore seeking shareholder support for our proposal, a summary of which is set out below. These proposed changes to the Remuneration Policy will be presented for shareholder approval at our 2023 AGM.

Proposed changes to LTIP

We are proposing to make the following changes to our LTIP:

- **Increasing the annual LTIP opportunity** to 400% of salary for the CEO and 300% of salary for the CFO (from 180% and 150% of salary currently) in order to improve positioning relative to the market. Whilst this is a significant increase to the current opportunity, a combination of the award structure and the proposed stretch performance targets (as detailed below) will ensure that earnings are appropriate when considered in the context of the value created for shareholders.
- **Combining four annual LTIP awards.** We will move away from the conventional approach of making annual grants and instead make a one-off award comprising four LTIP awards with a maximum consolidated opportunity of 1,600% of salary for the CEO and 1,200% of salary for the CFO. This enables the Executive Director reward to be more directly aligned to shareholder experience over the same period; the value of the award will rise or fall with the level of value created for shareholders over the next six years.

Subject to changes to the Executive team, where specific consideration may be required, it is our expectation that the next long-term incentive award will not be made until 2027.

- **Performance periods.** The performance of each of the four tranches will still be assessed over the usual three-year performance period as follows:
 - Tranche 1: January 2023 – December 2025
 - Tranche 2: January 2024 – December 2026
 - Tranche 3: January 2025 – December 2027
 - Tranche 4: January 2026 – December 2028

The use of four three-year performance periods also ensures that performance is required to be sustained consistently over six years for the maximum total awards to vest. The award will therefore reward strong, consistent value-accretive growth for our shareholders, rather than reward volatility.

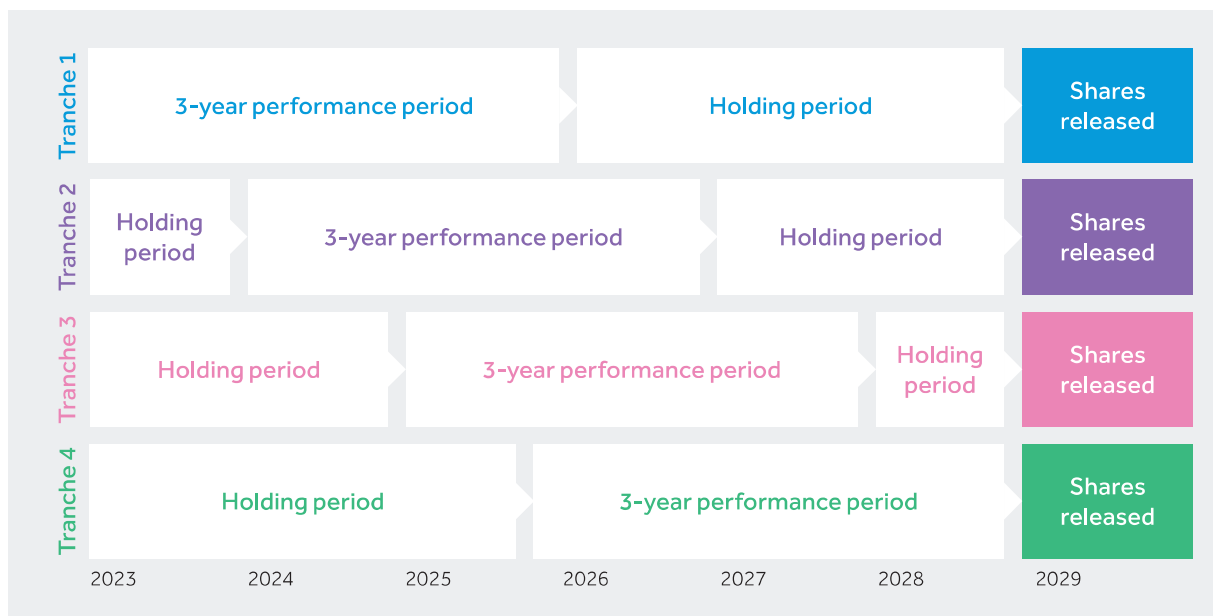
- **Holding periods** will apply to the end of each performance period as appropriate to ensure a total plan lifecycle of six years i.e., no shares would be released to participants under any of the tranches until the sixth anniversary from grant.
- **Performance measures.** Performance will be assessed against a Relative TSR measure over each of the four tranches. Median performance relative to the peer group will result in threshold vesting. This will be set at 12.5% of the maximum opportunity. This is a reduction from 25% vesting under the current LTIP, but results in no increase to the value paid currently for achieving threshold performance, with maximum vesting being achieved for upper quartile performance relative to the peer group, calculated on a straight-line basis. The Committee believes these targets to be stretching. In order for the award to vest at maximum, Flutter needs to outperform the peer group not just over one performance cycle but over every performance cycle. Only one company in the FTSE 100 has performed in the upper quartile against this peer group over the equivalent four most recent performance cycles.

As a matter of good practice, the Committee considers the wider performance of the Company prior to approving the vesting of any incentive plan. Following discussions with shareholders, we agreed to strengthen this approach by formulaically recognising this in the LTIP. As such, vesting of the plan will be subject to an additional underpin which will require that the Remuneration Committee is satisfied that the formulaic outcome appropriately reflects the Company's underlying performance and that it has been achieved with regard to the Company's Positive Impact Plan objectives including, in particular, measures to promote safer gambling.

- **Leaver treatment.** We have sought to retain the stringent leaver treatment of the current LTIP. As such, bad leavers would forfeit all unvested awards. For good leavers, the following treatment would apply:
 - Any tranches that have already vested would be retained in full.
 - Any in-flight tranches would be subject to both time and performance pro-rating, as is the case under the current LTIP. However, in order to ensure that the plan is not overly generous, the time pro-rating would be over the performance period of each in-flight tranche rather than the vesting period.
 - Any tranches whose performance periods have not yet begun will lapse in full.
 - Any vested awards will be released at the original time i.e., at the end of the six-year period, except in the case of death.

The shares will be granted to Executive Directors on the day following the 2023 AGM, subject to shareholder approval of the new Remuneration Policy.

The diagram below illustrates how this will work in practice.



Other policy changes

We have taken this opportunity to significantly strengthen our clawback and malus provisions, the full detail of which is set out on page 170.

Additionally, we have aligned our shareholding requirements with current best practice and the upper quartile of the FTSE 30, requiring the CEO to hold shares equivalent to 500% of total salary, and the CFO to hold shares equivalent to 400% of total salary (increased from 300% of total salary and 200% of total salary respectively).

As a reminder, from 1 January 2023, we reduced our Executive Director pension opportunity from 15% of total salary to the wider UK workforce level, currently 9% of total salary.

Shareholder consultation

As noted above we initially consulted with shareholders with a view to implementing a new Policy at the 2022 AGM. However, whilst we received mainly positive feedback, we decided not to proceed with the new Policy at that time due to sudden and significant market changes.

We had initially intended to use an Absolute TSR measure in the LTIP and made some changes to the targets following shareholder discussions. However, following the market changes at the start of 2022, we reflected on this and decided that it was more prudent, while equity markets remain more volatile than normal, to retain the Relative TSR measure used in our current LTIP. As part of the shareholder meetings, a number of shareholders suggested a preference for Relative TSR instead of Absolute TSR and this was one of the key factors that helped the Committee make its decision. This approach will ensure that awards vest only where there is strong performance relative to the market.

During the discussions following the decision to retain Relative TSR, we heard divergent opinions on the constitution of the TSR comparator group. Some investors preferred a FTSE group whilst others were keen to see a group of companies in our sector that was also more international, although they appreciated that this would be a small group. Our analysis showed that not only would such a group be small, but the differences in the behaviour of shares from various international equity markets resulted in a less robust comparison of performance than using a general UK index. Therefore, after a thorough review of potential comparator groups and the relative performance correlation studies, we decided that the most appropriate Relative TSR comparator group at the current time is the FTSE 100 (excluding real estate investment trusts and investment trusts).

As noted above, our initial proposals did not initially include an additional underpin. However, following guidance from some of our largest shareholders we decided to include a satisfactory performance underpin in the LTIP.

We always appreciate the opportunity to consult with our key shareholders and institutional investor bodies and greatly value their guidance and advice. We recognise that our proposed LTIP is not a conventional one but believe that consultation and discussion has helped to strengthen and sharpen the proposals. We are grateful for the time and consideration that our key shareholders have given to us over the past two years as we developed these proposals.

Directors' Remuneration Report 2022 continued

2022 performance outcomes

Business context

We delivered a strong 2022 performance with excellent progress against our strategic objectives. In the US we extended our leadership position and, elsewhere, the benefit of the acquisition of Sisal and growth in our International "Consolidate and Invest" markets more than offset regulatory impacts and the unwind of Covid benefits.

We continued to lead and innovate in respect of our safer gambling and wider ESG agenda. This included the launch of our Positive Impact Plan in early 2022, clearly articulating our ongoing commitment to make a positive difference in the communities and markets in which we operate. We have made good progress in all areas of the Positive Impact Plan, particularly in relation to our Play Well pillar, where notable achievements included achieving the highest level of accreditation with GamCare in the UK&I for our proactive customer protections, as well as a number of strategy events.

Annual bonus

The 2022 bonus plan was based on Group EBIT (excluding US) (60%), FanDuel's net revenue from existing states (30%), and safer gambling (10%), with stretching targets set for all three measures.

Whilst overall Company performance was strong, we faced a number of challenges, in particular against our highly stretching EBIT target where, despite positive growth in AMPs, performance in parts of the UK&I and Sportsbet was more challenging, resulting in an overall Group bonus outcome below threshold performance. On the other hand, US net revenue was very strong, with an above target performance outturn, and we continued to perform well in our safer gambling metrics with an aggregated outcome of 84% of maximum under this measure. As a result, the overall outturn for the 2022 annual bonus is 34.5% of the maximum opportunity (2021: 99.9%).

Whilst the overall Company performance was strong, the below-target pay-out level reflects the exceptionally stretching performance targets set by the Committee. Half of each Executive Director's resulting pay-out will be deferred into the Deferred Share Incentive Plan ("DSIP") with half of the deferral released after a period of three and half after a period of four years. Further details are set out on pages 173 to 174.

2020 LTIP

The 2020 LTIP was assessed against relative TSR performance, measured against a FTSE 100 comparator group. Flutter's continued strong performance over the period has resulted in a TSR growth of 42.0% over the three-year period to 31 December 2022, relative to a market upper quartile of 22.3%. This has resulted in an overall vesting for the 2020 LTIP of 100% of the award. Further details are set out on page 174.

Prior to approving this level of vesting, the Committee considered the Group's wider achievements over the three-year performance period to objectively determine that full vesting was warranted. The Committee was also mindful of investors' guidance on the potential for 'windfall gains' in respect of share awards made following widespread share price falls in 2020 as a result of the Covid-19 pandemic. We reviewed the pattern of Flutter's share price movement and noted that our awards were granted in early March 2020, before shares prices (including our own) declined sharply. We were therefore comfortable that no benefit resulted from the timing of the award, and the value of shares vesting under this LTIP cycle is a result wholly of strong underlying share price and TSR performance.

In light of the Company performance, the Committee was satisfied that the Remuneration Policy had operated as intended, and the outcomes for both the 2022 annual bonus and 2020 LTIP were appropriate in the context of Company performance.

Wider workforce pay

The Committee has maintained active oversight of the pay arrangements for the wider workforce, particularly given the cost of living crisis and the impact of this on our colleagues.

In line with our business model, decisions are made close to the operating businesses and our people and, as such, the decisions around how best to support our colleagues through the cost of living crisis were devolved within each business division. The crisis has affected different parts of the world differently, and taking this approach has allowed us to tailor our response accordingly. For example, we chose to make a one-off payment primarily to our retail shop colleagues to support them with the increases in cost of living, whilst we adjusted pay levels within our multi-divisional Cluj-Napoca and Porto technology hubs to ensure that pay remains highly competitive within the local market. Across all parts of the Company, we continue to offer a wide range of Company benefits, and we ensured that colleagues were aware of the benefits on offer to them, and how these can be used to support them given the broader economic environment and the impact that this has on the cost of living. We also continue to provide ongoing financial education to colleagues to assist them in managing their finances, as well as offering flexible working initiatives.

As a Committee, we will continue to monitor the pay and conditions of our workforce around the globe. The Workforce Engagement Committee also plays an important role in specifically gathering the views of our workforce, and feeds in to the Committee as appropriate.

Board changes and CFO transition

On 21 October 2022, we announced that Jonathan Hill would transition from his role as Chief Financial Officer (“CFO”) to leave the Board and take up the newly created Executive Committee role of Group Chief Operating Officer (“COO”). Jonathan will continue in his role as CFO until Paul Edgecliffe-Johnson takes up the role on 20 March 2023. Jonathan will leave the Board following the 2023 AGM. Given Jonathan’s expertise, knowledge of the business, and role in shaping Flutter’s strategy, he is uniquely placed to set up the new Group COO function for success.

Paul Edgecliffe-Johnson will join the business as Chief Financial Officer on 20 March 2023. The Committee determined that he should receive a salary on joining of £750,000, reflecting his extensive experience in senior executive roles in finance and international business in a major, successful FTSE company. Paul will participate in the annual bonus and LTIP in line with the proposed Remuneration Policy for 2023, subject to shareholder approval being obtained. Further details of Paul Edgecliffe-Johnson’s remuneration arrangements, including joining awards, are set out on pages 177 to 178.

Arrangements for Paul Edgecliffe-Johnson and Jonathan Hill, for the time for which he will serve as an Executive Director, are in line with our approved Remuneration Policy.

How we capture ESG in our remuneration arrangements

The Committee regularly reviews how our remuneration arrangements incentivise the delivery of Flutter’s environmental, social and governance (“ESG”) policy. As a business, we feel that safer gambling is a key area of the ESG agenda where we can make a significant societal difference, and that this should therefore be a major focus in incorporating ESG into incentives for Executive Directors. We have used a safer gambling performance measure in our annual bonus plan for a number of years and, for 2023, its weighting within the plan will double, from 10% to 20% of the overall bonus. This reflects not only its importance to us as a business but also our greater ability to set meaningful and robust performance targets across the Group and to ensure that we continue to drive towards the Positive Impact Plan goals that we have set ourselves. We have spent a significant amount of time over the past few years in determining ways to reliably measure and track our safer gambling measures across all parts of the business and are pleased that we are now able to not only disclose all outturns retrospectively (as on page 173) but also disclose targets prospectively (as on page 175). These measures are fully aligned with Flutter’s Positive Impact Plan ambition, as detailed on page 48.

During the year, the Committee asked for an external review of our use of ESG within our remuneration arrangements from a subject area expert. The review was both detailed and wide-ranging; it considered whether any additional ESG measures might be appropriate, whether we should include any ESG measures in our LTIP specifically, and whether the weighting of ESG within our incentive plans was appropriate. Whilst it was noted that there are other important ESG measures such as DE&I, we believe that the current use of ESG measures within our remuneration framework remains appropriate, particularly given the steps made in recent years in the robustness of the SG targets and the increase in the weighting of the measure this year. However, the Committee will keep this under review. We maintain strong focus within the Risk and Sustainability Committee on several other ESG measures through our Positive Impact Plan targets and reporting.

Effectiveness of the Committee

The operation, performance and effectiveness of the Committee is monitored throughout the year and is also specifically reviewed as part of the external evaluation process. All feedback received is used to improve the Committee’s effectiveness. I am pleased to confirm that the Committee continues to operate effectively. Read more on our Board evaluation on pages 129 to 130.

Looking ahead

I strongly believe that the proposed changes to the Executive Directors’ remuneration arrangements will be vital in incentivising the management team to lead the business through the next phase of our growth. The new Remuneration Policy is therefore a critical part of enabling the future continued success of the business and the realisation of our strategic objectives, which will create long-term sustainable value for our shareholders. We look forward to receiving shareholders’ support at the 2023 AGM.

Alfred F. Hurley Jr

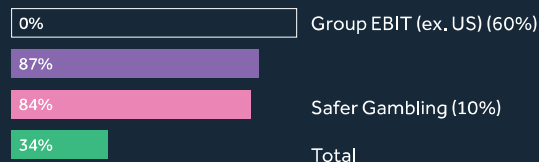
Remuneration Committee Chair
1 March 2023

Directors' Remuneration Report 2022 continued

Remuneration at a glance

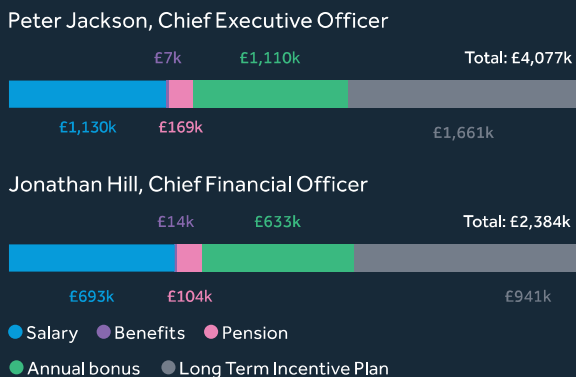
2022 outturns

2022 annual bonus outcome



Overall, the bonus outturn for the CEO is 98.2% of salary and for the CFO is 91.3% of salary. Half of this will be deferred under the DSIP.

2022 single total remuneration figures



Performance measures for the 2023 annual bonus



Proposed changes to Remuneration Policy for 2023

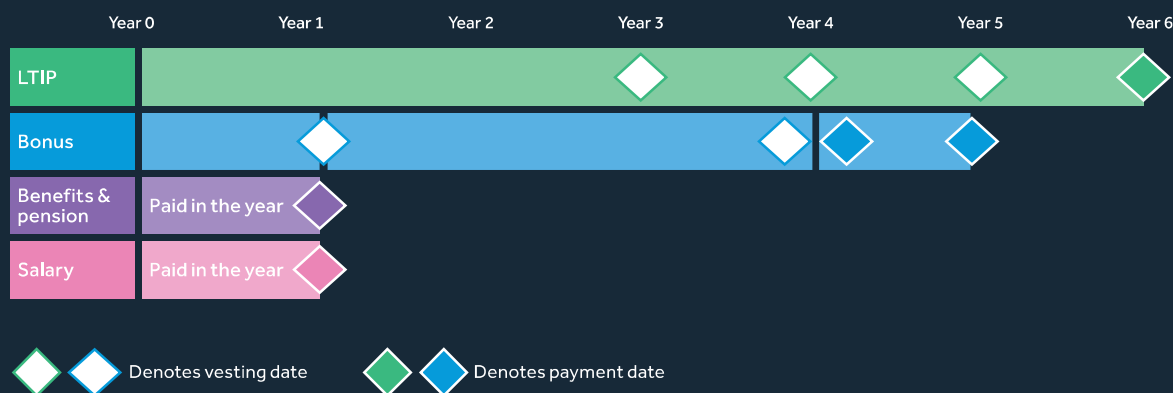
Changes to the LTIP

- Increase LTIP award level to 400% of salary for the CEO and 300% of salary for the CFO
- Make a consolidated LTIP grant, with four upfront tranches awarded in 2023
- The performance of each tranche will still be assessed over the usual three-year performance period based on TSR performance, and an additional performance underpin has been included for 2023
- All awards to be released on the 6th anniversary of the grant date
- Reduce vesting for threshold performance (12.5% of the maximum opportunity compared to 25% currently)

Other changes

- Increase shareholding guidelines to 500% of salary for the CEO and 400% of salary for the CFO
- Update the malus and clawback provisions to align them with best practice

The diagram below sets out how Executive Director pay is structured:



Remuneration Policy

Shareholders approved the current Remuneration Policy at the 2020 AGM, and it took effect from that time. The Remuneration Policy set out below is due to take effect from the date of the 2023 AGM. The current policy will continue to apply until this date.

Remuneration Policy table

Element	Purpose and link to strategy	Operation and performance measures	Maximum opportunity
Total salary	To attract and retain high-calibre talent in the labour market in which the Executive Director is employed.	Generally reviewed annually but may be reviewed at other times of the year in exceptional circumstances. Total salaries (inclusive of any Director fees) are set with reference to individual skills, experience, responsibilities, Company performance and performance in role. Independent benchmarking is conducted on a periodic basis against companies of a similar size and complexity, as well as those operating in the same or similar sectors, although this information is used only as part of a broader review.	Increases (as a percentage of total salary) will generally be in line with salary inflation and limited to those offered to the wider workforce. Higher increases may be appropriate in certain circumstances including, but not limited to: <ul style="list-style-type: none"> • where an individual changes role; • where there is a material change in the responsibilities or scope of the role; • where an individual is appointed on a below-market salary, with the expectation that this salary will increase with experience and performance; • where there is a need for retention; • where salaries, in the opinion of the Committee, have fallen materially below the relevant market rates; and • where the size of the Group increases in a material way.
Benefits	To provide market competitive, cost-effective benefits.	Employment-related benefits may include (but are not limited to) private medical insurance, wellbeing benefits, life assurance, income protection, relocation, travel and accommodation assistance related to fulfilment of duties, tax equalisation and/or other related expenses as required. Where expenses are necessary for the ordinary conduct of business, the Company may meet the cost of tax on benefits.	The value of benefits may vary from year to year in line with variances in third-party supplier costs, business requirements and other changes made to wider workforce benefits.
Pension	To provide retirement benefits that are appropriately competitive within the relevant labour market.	Paid as a defined contribution and/or cash supplement.	Contribution (or an equivalent cash payment in lieu) in line with the wider workforce level in the country in which the Executive Director is based. The current Executive Directors are based in the UK where the median of the wider workforce is 9% of salary. This level may change in the future in line with any changes to the workforce pension levels.

Directors' Remuneration Report 2022 continued

Remuneration Policy continued

Element	Purpose and link to strategy	Operation and performance measures	Maximum opportunity
Annual bonus and DSIP	To incentivise and reward the successful delivery of annual performance targets. The DSIP also provides a link to long-term value creation.	<p>The Committee reviews the annual bonus every year, to ensure that the opportunity, performance measures, targets and weightings are appropriate and in line with the business strategy at the time.</p> <p>Performance is determined by the Committee on an annual basis by reference to Group financial or strategic measures, or personal objectives, although the financial element will always account for at least 50% of the bonus in any year.</p> <p>At least 50% of any annual bonus will be deferred under the DSIP, with the remaining balance paid in cash. Any deferred element is released 50% after three years and 50% after four years from the date of grant. The Committee may determine that the element deferred under the DSIP may be subject to a further underpin; for 2023 this will be a revenue underpin.</p> <p>Malus provisions apply to the annual bonus and DSIP both prior to vesting and clawback applies for a period of two years post-vesting, in the circumstances detailed on page 170. Dividends (or equivalent) accrue and are paid on any DSIP awards that vest.</p>	<p>Threshold performance will result in an annual bonus pay-out of 25% of the maximum opportunity.</p> <p>For target performance, the annual bonus earned is two-thirds of the maximum opportunity.</p> <p>Maximum annual opportunity of 285% of total salary for the CEO and 265% of total salary for other Executive Directors.</p>
LTIP	To attract, retain and incentivise Executive Directors to deliver the Group's long-term strategy while providing strong alignment with shareholder interests.	<p>Our underlying structure is a traditional long-term incentive plan with a three-year performance period and a requirement to hold shares for at least five years from the date of grant.</p> <p>In 2023, a consolidated one-off grant of performance-based shares or nil-cost options will be granted to Peter Jackson and Paul Edgecliffe-Johnson. The award will consist of four tranches, each of which will have successive three-year performance periods and appropriate holding periods either side such that the overall vesting and holding period for each tranche will be six years from the date of grant, with release in 2029. Tranche 1 will vest in 2026, Tranche 2 in 2027, Tranche 3 in 2028 and Tranche 4 in 2029. It is currently expected that the vesting of all four tranches for the 2023 award will be based on a Relative TSR measure, with an additional underlying performance underpin.</p> <p>Any new Executive Directors will be able to participate in any tranches whose performance periods have not yet begun or which begin in the year of joining, or a new full award will be granted following appointment.</p> <p>Malus and clawback provisions apply to the LTIP, which allow the Company to reduce or claw back awards in the circumstances detailed on page 170. Dividends (or equivalent) accrue and are paid on LTIP awards that vest.</p>	<p>The normal annual maximum opportunity is 400% of total salary for the CEO and 300% of total salary for other Executive Directors. However, we propose to make a single grant covering four years' awards in 2023 and therefore a total grant of 1,600% of total salary for the CEO and 1,200% of total salary for the CFO will be made in 2023.</p> <p>Threshold performance will result in vesting at 12.5% of the maximum opportunity.</p>

Element	Purpose and link to strategy	Operation and performance measures	Maximum opportunity
SAYE	To facilitate share ownership and provide alignment with shareholders.	<p>The Company operates Save As You Earn share plans for all employees (in the UK this is an HMRC-approved plan); the Executive Directors may participate in the plan on the same basis as other employees.</p> <p>Participants are invited to save up to the monthly limit over a three-year period and use these savings to buy shares in the Company at up to the maximum discount allowable in the relevant jurisdiction.</p>	<p>Maximum opportunity is in line with plan limits, which are currently £500 per month in the UK.</p> <p>Maximum opportunity for employees in other countries is €500 per month or local equivalent.</p>
Shareholding guidelines	To create alignment between the interests of Executive Directors and shareholders.	<p>Executive Directors must build up and maintain a holding of shares in the Company equivalent to a minimum of 500% of total salary for the CEO and 400% of total salary for other Executive Directors.</p> <p>Executives have five years from appointment to the Board or any new Policy coming into effect in which to build up their holding, and must retain half of any post-tax vested awards until the guidelines are met. Shareholding guidelines may be met through both beneficially owned shares and vested but unexercised options on a notional net of tax basis.</p> <p>Executives are required to hold the lower of their respective shareholding guideline and the actual shareholding immediately prior to departure for two years post-departure.</p>	n/a

The Committee is satisfied that the above Remuneration Policy is in the best interests of shareholders and does not promote excessive risk-taking. Contractual provisions may require the Committee to make payments to a Director that falls outside of the Policy set out above. This would be limited to situations where the terms of the payment were agreed at a time when the individual concerned was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration of the individual becoming a Director of the Company. Any awards granted under the previous Remuneration Policy will continue to vest in line with those terms.

Notes to the Remuneration Policy table

In relation to incentive plans, the Committee retains the right to exercise discretion to ensure that the level of award payable is appropriate and fair in the context of the Director's individual performance and the Group's underlying performance. Such discretion is important to ensure that outcomes are fair to both shareholders and participants. Where used, the rationale for this discretion will be fully disclosed to shareholders in the relevant Directors' Remuneration Report.

This includes the discretion to amend a performance condition that the Committee no longer deems appropriate, which will only be exercised if reasonable in the circumstances, and the revised condition is neither materially more nor less difficult to satisfy than was originally intended. In particular, the Committee has discretion to adjust the performance conditions to take account of significant changes to the regulatory environment in which the Group operates, e.g. material new and increased taxes and product fees specific to the gambling and/or gaming industry. The Committee has discretion to make adjustments in other special circumstances, including but not limited to rights issues, M&A that materially impact the business, corporate restructuring and special dividends.

Directors' Remuneration Report 2022 continued

Remuneration Policy continued

Changes to the Remuneration Policy

We are proposing to make the following changes to our Remuneration Policy:

- Increase to the maximum annual LTIP opportunity from 180% of total salary to 400% of total salary for the CEO, and from 150% of total salary to 300% of total salary for the CFO.
- The level of vesting at threshold will reduce from 25% to 12.5%.
- Rather than making an annual LTIP grant, to make a one-off award comprising four upfront LTIP awards with no further grants until 2027.
- Introduce a performance underpin whereby the Committee must be satisfied that the formulaic outcome appropriately reflects the Company's underlying performance and that it has been achieved with regard to the Company's sustainability objectives.
- Significantly increase our shareholding guidelines from 300% of salary to 500% of salary for the CEO, and from 200% of salary to 400% of salary for the CFO, to align with the upper quartile of the FTSE 30.
- Strengthen our malus and clawback provisions to be in line with best practice in the UK listed market.
- Due to the design of the new LTIP, the leaver provisions have been updated to ensure they are consistent with the approach under the previous Remuneration Policy and in line with market practice.
- No changes to other elements of remuneration are proposed.

We believe that the combination of these changes will ensure that the Executive Director packages are market competitive and that Executive Director pay will be more closely aligned to shareholder value creation.

Legacy awards

In-flight awards made before the adoption of this Policy will continue in line with the approved policy under which they were granted. Further details of these awards can be found within the Remuneration Policy approved at the 2020 AGM and included within the 2019 Annual Report and Accounts.

How we select performance measures and set targets

Below, we set out the measures we use in our incentive plans, and why these have been chosen. We believe that our mix of bonus and LTIP measures provides management with flexibility and agility in a fast-changing market, while ensuring strong alignment to shareholder returns over the longer term.

Prior to setting bonus and LTIP targets, each year the Committee carefully considers both internal projections (budget and long-term plan) as well as external analyst forecasts. In addition, the Group's strategic priorities and the wider economic environment in which the Group operates are taken into consideration. Targets are set at a level which is considered to be stretching yet achievable, and maximum outcomes are only paid for the achievement of outstanding performance.

Annual bonus

The performance measures used in the annual bonus are selected annually, and reflect the Group's strategic objectives, future business strategy and key performance indicators. The 2023 annual bonus plan is based on a mix of financial and strategic measures: Group Net Revenue (30%), Group EBIT (25%), US EBITDA (25%) and Safer Gambling (20%). For 2023, the element of bonus deferred under the DSIP will also be subject to a Group revenue underpin of 2% per annum growth.

We would not be able to achieve our strategic objectives without strong and sustained revenue and EBIT growth. The use of these two measures ensures that there is a sufficient tension between growth and profitability within the overall annual bonus structure.

Given that the US opportunity is so vast and transformative for Flutter, we believe that it is important to include a measure which focuses solely on US performance, and 25% of the bonus is therefore based on US EBITDA.

The safer gambling measure is a critical element of our business strategy, and for the sustainability of our industry. Including a safer gambling measure will ensure that management is incentivised to achieve clear objectives on the safer gambling agenda and continue to lead the industry in this regard. Safer gambling measures have been included in our bonus plan since 2020 with all four divisions represented since 2022. The measures for the 2023 bonus plan are detailed on page 175 to 177.

LTIP

The unpredictable and fast-moving nature of our sector makes it extremely difficult to set financial targets over the long term. We believe that TSR is the best all-encompassing indicator of how management is executing against strategy and continues to be the best possible measure from a long-term target-setting perspective. TSR provides a focus for management on ensuring that the strategy and its implementation lead to long-term comparative returns to shareholders and ensures direct alignment between the remuneration outcomes of Executive Directors and the gains made by shareholders. A number of shareholders expressed a preference for measuring TSR on a Relative rather than Absolute basis. Taking this feedback into account and in light of the continuing market volatility, the Committee determined that a Relative TSR measure be the most practical solution in the broader environmental context.

We believe that it is important to ensure that we grow our business in a sustainable way, and therefore have also included an underpin whereby vesting will also be subject to the Committee being satisfied that the formulaic outcome appropriately reflects the Company's underlying performance and that it has been achieved with regard to the Company's sustainability objectives, including measures to promote safer gambling.

How we consider the views of our shareholders

The Committee is committed to ongoing dialogue with both shareholders and UK institutional investor bodies. As noted in the Committee Chair's statement, we have had extensive discussions with our shareholders during the year. In developing the proposed Remuneration Policy we engaged with our major shareholders to understand their views during both 2021 and 2022. In finalising the proposals, the Committee gave due regard to the feedback received during these meetings, making a number of amendments to the original proposal, for example including an additional underpin on the proposed new LTIP, using relative rather than absolute TSR and considering in detail the appropriate TSR peer group.

We strongly believe that discussion and dialogue with shareholders serve to strengthen our remuneration structures and, as such, we will continue to speak to our key investors every year and take on board their views on our Executive remuneration structures.

How we consider pay and conditions of employees in the Group

The Committee considers the pay and employment conditions across the Group when determining Executive Director pay, and the Company seeks to promote good relationships with employee representative bodies as part of its employee engagement strategy. However, we do not consider it appropriate to consult specifically with employees on the Directors' Remuneration Policy.

Our Workforce Engagement Committee provides the Board with the opportunity to gather the view of the workforce. Following the easing of travel restrictions caused by the Covid-19 pandemic, the Committee commenced listening sessions with the workforce to hear directly from colleagues. These listening sessions covered a diverse range of locations, businesses and skills, including FanDuel, Adjarabet, Sportsbet, UK&I and the Group Trading and Risk teams. The Committee comprises five Non-Executive Directors, including one Remuneration Committee member. See pages 137 to 141 for further information on the Workforce Engagement Committee.

The Board reviews and acts upon the outcome of our reward employee engagement surveys, and the Remuneration Committee considers the CEO to wider workforce pay ratio and relevant internal pay gaps and metrics on an annual basis.

Our remuneration policy for the wider workforce

Below Board level, employees receive a remuneration package that is reflective of their role and responsibilities, set by reference to internal relativities and external market data where applicable. Employees at the Executive level will typically have a greater emphasis on performance-related and long-term pay compared with those below this level. Details are given in the table below:

Element	Approach
Salary	<p>When reviewing salary levels, consideration is given to the level of responsibility, skill, experience and salary levels in comparable companies. Remuneration surveys are referenced, where appropriate, to establish market rates.</p> <p>Although increases may vary, Executive Director increases are generally aligned with the typical increases awarded across the rest of the workforce in the relevant market under normal circumstances.</p>
Pension and benefits	Benefits and pension arrangements are tailored to local market conditions for all of our employees across the Group.
Annual bonus	The majority of our employees are eligible to participate in an annual bonus plan, with award sizes varying by organisational level and location. Performance measures are tailored to be suitable to the strategic priorities of the division, and the geographic location. Some employees, for example those in our retail shops, have different incentive structures in place.
Incentive plans	<p>The Executive Committee and other members of senior management are eligible to participate in Flutter share incentive plans, which vest based on continued employment and, in some cases, are also subject to performance conditions. We also offer incentive awards to critical talent.</p> <p>We have a number of division- or brand-specific Long Term Incentive Plans in place to incentivise employees in specific parts of the business aligned to delivering strategic priorities.</p> <p>All of our workforce is eligible to participate in the employee sharesave plan, with the basis of participation varying depending on the specific regulatory requirements of each geographic location.</p>
Shareholding guidelines	Shareholding guidelines are in place for Executive Directors and Executive Committee members.

Under its Terms of Reference, the Committee holds responsibility for the remuneration of the Group's Executive Committee and the Group General Counsel and Company Secretary. The Committee's Terms of Reference are reviewed annually by the Committee and the Board and the Committee will keep under review its role in relation to employees below the Board in the context of any legislative changes or revisions to the 2018 UK Code.

Directors' Remuneration Report 2022 continued

Remuneration Policy continued

Recruitment remuneration

The Committee's policy is to set pay for new Executive Directors within the existing Remuneration Policy in order to provide internal consistency. The Committee aims to ensure that the Company pays no more than is appropriate to appoint individuals in the context of the market.

Element	Approach	Maximum opportunity
Total salary	The total salary (inclusive of any Director fees) will be set taking into account the skills and experience of the individual, internal relativities and the market rate for the role as identified by any relevant benchmarking of companies of a comparable size and complexity. If it is considered appropriate to set the total salary for a new Executive Director at a level which is below market (for example, to reflect their experience in the role) their total salary may be increased to achieve the desired market positioning by way of a series of phased above-inflation increases in subsequent years.	n/a
Benefits	New appointees will be eligible to receive benefits on the same terms as other Executive Directors. Additionally in the case of any Executive Director being recruited overseas, or being recruited by the Company to relocate overseas to perform his duties, the Committee may also approve the payment of one-off relocation-related expenses and legal fees incurred by the individual in connection with the appointment.	n/a
Pension	New appointees will be eligible to receive pension benefits (or an equivalent cash payment in lieu) in line with the wider workforce level in the country in which the Executive Director is based.	In line with the wider workforce level in the country in which the Executive Director is based.
Annual bonus and DSIP	The plan as described in the Remuneration Policy table will apply to new appointees with the relevant maximum being pro-rated to reflect the proportion of the year employed. The Committee retains flexibility to use different performance measures and targets in the first year, depending on the timing and nature of the appointment.	285% of salary for a CEO and 265% of salary for other Executive Directors.
LTIP	Where possible we will look to bring new Executives into the existing plan pro-rated for time in role i.e. if they were to join after one year of the consolidated plan, they would participate in the remaining three performance period cycles, however the Committee retains the flexibility to either grant a new award of four years or to grant a non-consolidated LTIP award if that is considered most appropriate at the time.	Typically 400% of total salary for a CEO or 300% of total salary for other Executive Directors on a per annum basis.
SAYE	New appointees will be eligible to participate in the SAYE plan on the same terms as other employees.	n/a
Shareholding guidelines	Shareholding guidelines will apply on the same basis as for current Executive Directors.	n/a

The Committee may also make an award in respect of a new appointment to buy-out remuneration forfeited on leaving a previous employer and may exercise the discretion available under the relevant Listing Rules to facilitate this, i.e. in the event that a different structure to those included above would be required. In doing so, the Committee will ensure that buy-out awards have a fair value no higher than that of the awards or remuneration forfeited, and would consider relevant factors including any performance conditions attached to these awards, the likelihood of those conditions being met, the delivery mechanism, and the remaining vesting period of these awards. For clarity, the maximum opportunity levels set out above do not apply to buy-out awards.

In the case of an internal appointment, any variable pay element awarded in respect of the prior role will be allowed to pay out according to its original terms stipulated on grant or adjusted as considered desirable to reflect the new role, even if it is not consistent with the Remuneration Policy for Executive Directors.

In the case of the appointment of a new Non-Executive Director, fees would be paid in line with the Non-Executive Director fee policy outlined on page 178.

Policy on payments for loss of office

When considering termination payments under incentive plans, the Committee reviews all potential incentive outcomes to ensure that they are fair to both shareholders and participants. The table below summarises how the annual bonus, DSIP and LTIP awards are typically treated in specific circumstances, with the final treatment remaining subject to the Committee's discretion.

Plan	Scenario	Timing of payment/ vesting	Calculation of payment/ vesting
Annual bonus	Ill health or disability, redundancy, retirement (with agreement from the Company), or any other reason the Committee may determine.	Normal payment date, although the Committee has discretion to accelerate payment on a case-by-case basis in its discretion. Half the bonus will normally be deferred into the DSIP.	The Committee will determine the annual bonus outcome based on circumstances and the date of leaving. Performance against targets is typically assessed immediately (in case of death) or at the end of the year in the normal way and any resulting bonus will be pro-rated for time served during the year.
	Death	Immediately, in cash.	
	Change of control	Immediately or as determined by the Committee.	The bonus payment will be pro-rated for time (based on the proportion of bonus period elapsed) and performance up to the point of the change of control. The Committee retains discretion to dis-apply pro-rating (in whole or in part) or pay the bonus fully in cash in exceptional circumstances. Alternatively, the Committee may determine that the bonus does not pay out on change of control and continues under the terms of the acquiring entity.
	All other reasons	No bonus is paid.	n/a
DSIP	Ill health or disability, redundancy, retirement (with agreement from the Company), or any other reason the Committee may determine.	The later of the date of the normal vest date and the expiry of any post-restrictive covenants, although the Committee has discretion to accelerate on a case-by-case basis. Any post-vesting holding periods would continue to apply.	Any underpins continue to apply.
	Death	Immediately	Underpins and holding periods may be removed.
	Change of control	Immediately	Awards may alternatively be exchanged for new equivalent awards in the acquirer where the Committee deems it appropriate.
	All other reasons	Awards lapse	n/a
LTIP	Ill health or disability, redundancy, retirement (with agreement from the Company), or any other reason the Committee may determine.	The later of the normal vest date and the expiry of any post-restrictive covenants, although the Committee has discretion to accelerate on a case-by-case basis.	Any tranches whose performance periods have finished will vest in full, subject to the achievement of the performance conditions. Any tranches whose performance periods are in-flight will normally be pro-rated for time (based on the proportion of performance period elapsed); performance will be measured at the end of the performance period. Any other tranches will lapse in full. The Committee retains discretion to dis-apply pro-rating or accelerate testing of performance conditions for in-flight tranches in exceptional circumstances.
	Death	Immediately	As above, but with performance being measured (and awards released) immediately. Underpins and holding periods may be removed.
	Change of control	Immediately or as determined by the Committee	As above, with performance being assessed (where relevant) up to the point of the change of control. The Committee retains discretion to dis-apply pro-rating (in whole or in part) in exceptional circumstances. Alternatively, the Committee may decide to exchange award for new equivalent awards in the acquirer where appropriate.
	All other reasons	Awards lapse	n/a

We reserve the right to make additional exit payments if we need to discharge an existing legal obligation (or pay damages for breaching an obligation). We also reserve the right to make an exit payment by way of settlement or compromise of any claim arising in connection with terminating a Director's office or employment.

Directors' Remuneration Report 2022 continued

Remuneration Policy continued

Service agreements, change-of-control provisions and loss of office policy

Our policy is for service agreements to contain the following terms:

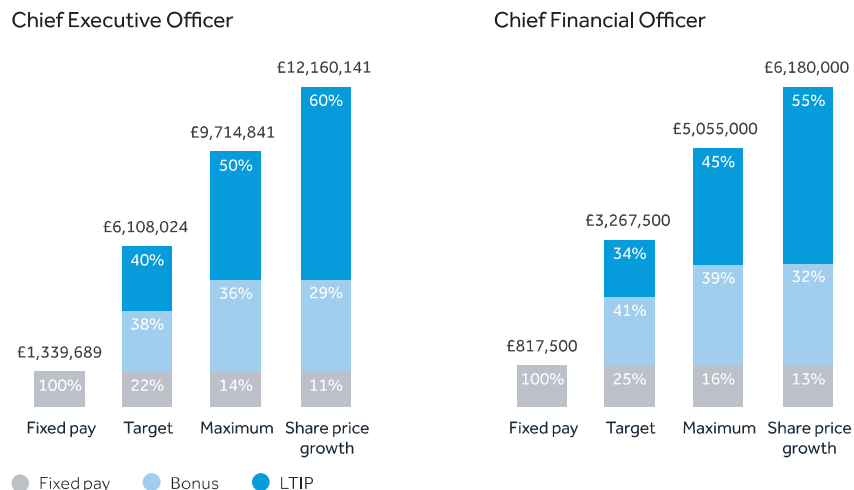
- Agreements are terminable on 12 months' notice given by either party.
- Agreements contain a provision entitling the employer to terminate their employment by payment of a cash sum in lieu of notice equal to the total salary, contractual benefits and pension contributions that would have been payable during the notice period.
- The payment in lieu of notice can be paid, at the employer's discretion, as a lump sum or in monthly instalments over the notice period. There is a mechanism to reduce the payment in lieu of notice if they commence alternative employment while any instalments remain payable from which they receive an annual salary of at least £50,000.
- Executive Directors may also be entitled to a pro-rata bonus for the year in which termination occurs at the discretion of the Committee. All of the share option and incentive plans which are operated by the Company contain provisions relating to termination of employment, and any share awards held by an Executive Director on termination will be governed by the rules of the relevant plan.
- Executive Directors are subject to a confidentiality undertaking without limitation in time and to non-competition, non-solicitation and non-hiring restrictive covenants for a period of 12 months after the termination of their employment.

Peter Jackson and Jonathan Hill's individual service agreements are currently in line with the above policy. Paul Edgecliffe-Johnson is set to be appointed on 20 March 2023 and his individual service agreement will also be in line with the above policy.

The service contract of any new appointment would be based on similar terms. In certain circumstances, the Committee may approve new contractual arrangements with departing Executive Directors including (but not limited to) settlement, confidentiality, outplacement services, restrictive covenants and/or consultancy arrangements. These will be used sparingly and entered into only where the Committee believes that it is in the best interests of the Company and its shareholders to do so.

Pay for performance: scenario analysis

The following charts provide an estimate of the potential future reward opportunities for Peter Jackson and Paul Edgecliffe-Johnson, and the potential split between the different elements of pay under four different performance scenarios: Minimum, Target, Maximum and 50% share price increase. Potential reward opportunities are based on the new Remuneration Policy, applied to 2023 salaries. As he will step down from the Board following the 2023 AGM, a chart has not been provided for Jonathan Hill.



The scenarios in the graph above for both Peter Jackson and Paul Edgecliffe-Johnson are based on the following assumptions:

- The minimum scenario comprises: (i) total salary as at 1 March 2023 for the CEO (£1,222,650) and as at 20 March 2023 for the CFO (£750,000); (ii) current pension opportunity (9% of salary); and (iii) value; benefits as disclosed in the 2022 Single Figure of Total Remuneration for Executive Directors table. As such, for Paul Edgecliffe-Johnson, this is nil.
- The Target scenario comprises: minimum plus (i) 67% pay-out of maximum bonus opportunity; and (ii) 50% vesting of annualised LTIP (400% of salary for the CEO and 300% of salary for the CFO). No share price growth is assumed.
- The Maximum scenario comprises: minimum plus (i) maximum bonus pay-out; and (ii) maximum annualised LTIP vesting (400% of total salary for the CEO and 300% of total salary for the CFO). No share price growth is assumed.
- The Share price growth scenario is as per Maximum, except that 50% share price growth is assumed on LTIP awards.

Chair and Non-Executive Directors

The services of the Non-Executive Directors, including the Chair, are provided for under the terms of a letter of appointment with the Company. Continuation of the Non-Executive Directors' appointments is contingent on satisfactory performance and annual re-election at the AGM of the Company, unless terminated earlier upon written notice by either the Non-Executive Director or the Company. The Non-Executive Directors' appointments will terminate automatically if they are removed from office by a resolution of the shareholders of the Company or are not re-elected. The appointment letters for the Non-Executive Directors provide that on termination, only fees accrued, and expenses incurred up to the date of termination are payable.

Non-Executive Director	Start of current term ¹
Zillah Byng-Thorne	5 September 2013
Nancy Cruickshank	15 May 2019
Nancy Dubuc	29 April 2021
Richard Flint	5 May 2020
Alfred F. Hurley, Jr	28 June 2016
Holly Keller Koeppel	13 May 2021
David Lazzarato	28 June 2016
Carolan Lennon	1 July 2022
Gary McGann	24 November 2014
Atif Rafiq	10 December 2021
Mary Turner	21 June 2017

1. Dates of original appointment to Paddy Power plc, Betfair Group plc or The Stars Group Inc., as applicable.

Details of the policy on Non-Executive Directors' fees are set out in the table below. Any future recruitment for a Chair or a Non-Executive Director would be on the basis of the below.

Purpose and link to strategy	Operation and performance measures	Maximum opportunity
To attract and retain Non-Executive Directors of the highest calibre with experience relevant to the Company	<p>Remuneration for Non-Executive Directors, other than the Chair, is determined by the Board, on the recommendation of the Executive Directors in consultation with the Chair. The Chair's fee is determined and recommended to the Board by the Remuneration Committee.</p> <p>Fees are reviewed from time to time and the Committee retains the ability to introduce fees for additional duties, as required.</p> <p>Remuneration for Non-Executive Directors, other than the Chair, comprises a base annual fee for acting as a Non-Executive Director of the Company. Additional fees are paid for carrying out additional duties such as acting as the Senior Independent Director or Chairing a Board Committee.</p>	<p>The current aggregate annual fee for all Non-Executive Directors, including the Chair, is €2.2m.</p> <p>The maximum aggregate annual fee for all Non-Executive Directors, including the Chairman, is governed by the Company's Articles of Association.</p> <p>Fee increases will normally be set at a level no higher (in percentage terms) than those for our colleagues as a whole. However, on occasion, it may be appropriate to make higher increases, reflecting that they may only be offered on a periodic basis or reflect additional responsibilities and/or time commitments.</p> <p>Current fee levels are disclosed in the Annual Report on Remuneration.</p>

1. The aggregate limit on Non-Executive Directors' remuneration provided for is an absolute upper limit. Anticipated increases in Non-Executive Directors' fees would be in line with independent market benchmarking.

Copies of Directors' service contracts or letters of appointment (as applicable) are available for inspection at the Company's Registered Office during normal business hours and at the AGM at least 15 minutes prior to its commencement until its conclusion.

Executive Directors' external directorships

The Board acknowledges that Executive Directors may be invited to become non-executive directors of other companies which have no business relationship with the Group and that these duties can broaden their experience and knowledge to the benefit of the Group. Executive Directors are permitted to accept a maximum of one other external non-executive directorship (but not a chairship) of a large publicly listed company (or its equivalent), with the prior approval of the Chair of the Board. Fees paid for external appointments may be retained by the individual concerned. Details of external directorships are set out on pages 108 to 109.

Directors' Remuneration Report 2022 continued

Remuneration Policy continued

Our malus and clawback provisions

Malus and clawback provisions apply to the Company's incentive plans. Under these provisions, the Committee may apply malus and/or clawback provisions within two years of the vest or payment date of an award (or exercisable date in the case of options) other than Tranche 1 of the proposed new LTIP, where clawback provisions apply for three years of the vest date.

Malus and clawback provisions would apply in the following circumstances:

- discovery of a material misstatement resulting in an adjustment in the historical audited accounts of the Company;
- the discovery that any information used to determine the number of shares subject to an award was based on error, or inaccurate or misleading information;
- the assessment of any performance target or condition in respect of an award was based on error, or inaccurate or misleading information;
- action or conduct of a participant which amounts to fraud or gross misconduct;
- events or the behaviour of a participant have led to the censure of the Company by a regulatory authority or have had a significant detrimental impact on the reputation of the Company, as determined by the Board, provided that the Board is satisfied that the relevant participant was responsible for the censure or reputational damage and that the censure or reputational damage is attributable to them;
- a material failure of risk management; or
- corporate failure.

Should a trigger event be identified, the Remuneration Committee may require some or all of an employee's outstanding awards to be forfeited or for clawback to be applied.

These trigger events have been strengthened since the previous Remuneration Policy.

Considerations of the UK Corporate Governance Code principles

Our Remuneration Policy has been designed taking into account the following principles of the UK Corporate Governance Code.

Clarity	Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	The annual bonus is based on measures that are linked to our key strategic priorities for the year, ensuring that there is clarity to all stakeholders on the relationship between the Company's strategy and remuneration. TSR is used as our LTIP performance measure, and requires no adjustments to be made and outturns are therefore clear for all participants.
Simplicity	Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	We believe that the current structure can be easily understood and articulated. A single upfront LTIP grant will ensure we do not need to make grants each year.
Risk	Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	We have appropriate safeguards in place, such as deferral and holding periods, malus and clawback provisions and performance underpins on both annual bonus and LTIP.
Predictability	The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the Policy.	The Remuneration Policy clearly sets out the maximum opportunity available to Executive Directors. The scenario charts set out expected remuneration outcomes for these maximums across a wide range of potential performance outcomes.
Proportionality	The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.	The Policy enables meaningful and appropriate targets to be set with a significant proportion of remuneration linked to the creation of long-term shareholder value. We believe that incentive plan outcomes will reflect the successful execution of our strategy.
Alignment to culture	Incentive schemes should drive behaviours consistent with Company purpose, values and strategy.	The measures used in our incentive structure are aligned with our business strategy and values. For example, the inclusion of an SG measure demonstrates our commitment to the Play Well pillar of our Positive Impact Plan.

Annual Report on Remuneration

This section provides details of remuneration outcomes for the financial year ended 31 December 2022 for Executive Directors and Non-Executive Directors who served during 2022, and how the approved Remuneration Policy will be implemented in 2023. The Committee believes that the Remuneration Policy operated as intended during 2022.

The Remuneration Committee's responsibilities

Set out below is a summary of the Committee's key responsibilities:

- setting the Remuneration Policy for the Executive Directors;
- engaging with our major shareholders in respect of the Remuneration Policy for Executive Directors and its implementation as appropriate;
- ultimate responsibility for approving all share-based incentive plan awards across the Group;
- reviewing the wider workforce remuneration and related policies, the alignment of incentives and rewards with culture and taking these into account when setting the policy for Executive Director remuneration;
- supporting the Board in determining whether reward-related employee policies and practices are in line with the Group's culture, strategy and values;
- ensuring that the Remuneration Policy and reward decisions incentivise and retain talent, and support the delivery of our long-term strategy;
- considering the appropriateness of the Remuneration Policy when reviewed against the rest of the organisation;
- ensuring that the remuneration framework remains effective in attracting and retaining colleagues;
- determining the terms of employment for Executive Directors, members of the Executive Committee and the Group General Counsel and Company Secretary, including remuneration, recruitment and termination arrangements;
- approving the measures and targets for incentive plans for Executive Directors, the Executive Committee and the Group General Counsel and Company Secretary; and
- assessing the appropriateness of and achievement against performance targets relating to incentive plans.

 The Directors' biographies of the current members of the Committee are given on pages 108 to 111

The Remuneration Committee's focus in 2022

Overall remuneration	<ul style="list-style-type: none"> • Reviewing and approving total remuneration of the Executive Directors and members of the Executive Committee • Receiving an update on the reward strategy and its application across the Flutter Group • Reviewing and considering the proposed response to the cost of living challenges faced by our colleagues across the Group
2023 Remuneration Policy	<ul style="list-style-type: none"> • Reviewing the Remuneration Policy approved by shareholders in 2020 in the context of the current business and extensively discussing the proposed changes for 2023 • Discussing the feedback received from shareholders on the new Remuneration Policy proposal and adjusting proposals accordingly
Total salary	<ul style="list-style-type: none"> • Reviewing current total salary levels in the context of both the current size and scope of the business, as well as their impact on total pay for the Executive Directors • Reviewing and approving changes to salary levels for the Executive Committee and Group General Counsel and Company Secretary
Annual bonus	<ul style="list-style-type: none"> • Determining and approving bonus outcomes in respect of 2021 performance • Reviewing and approving performance measures and targets for 2022 bonus • Reviewing forecasted 2022 bonus outcome • Reviewing, considering and approving the 2023 annual bonus structure and performance measures and targets
Long-term incentives	<ul style="list-style-type: none"> • Reviewing the TSR performance measure and targets for the 2022 LTIP awards • Approving 2022 incentive plan grants for Executive Directors, the Executive Committee and Group General Counsel and Company Secretary • Approving overall quantum of awards for 2022 share incentives for all employees • Receiving updates on the performance of Long Term Incentive Plans in place across the Group • Approving the vesting of the 2019 LTIP • Reviewing and approving the structure of other division and business-specific incentive plans and share award grants, including for Executive Committee members • Approving incentive plan grants for senior hires across the Group • Reviewing and approving the rules of a new share plan for use below Board level

Directors' Remuneration Report 2022 continued

Annual Report on Remuneration continued

The Remuneration Committee's focus in 2022 continued

Governance	<ul style="list-style-type: none"> • Reviewing the 2021 Directors' Remuneration Report, including the proposed new Remuneration Policy which the Committee decided not to proceed with, although the exceptional increases to total salary were approved • Approving the final version of the 2021 Directors' Remuneration Report • Reviewing the proposed new Remuneration Policy for inclusion in the 2022 Directors' Remuneration Report • Reviewing the annual Remuneration Committee calendar • Reviewing and updating the Committee's Terms of Reference • Considering an exhaustive and thorough report by an external ESG specialist on the link between ESG and pay across the Group • Assessing dilution from share plans against recommended limits and use of Employee Benefit Trust • Reviewing the Flutter gender pay gap and CEO pay ratio disclosures • Approving the 2022 Sharesave plan
Changes to the Executive Committee	<ul style="list-style-type: none"> • Reviewing and approving the terms for the Group CFO's transition to the new COO role • Reviewing and approving the remuneration package and employment terms for the incoming Group CFO • Reviewing and approving the leaver terms for the outgoing Group CPO and the remuneration package for the incoming Interim Head of HR, as well as the package for his transition to permanent Group CPO • Reviewing and approving the leaver terms for the outgoing CEO, UK&I and the remuneration package for the incoming CEO, UK&I • Reviewing and approving the transition arrangements for the Group CIO
Shareholder consultation	<ul style="list-style-type: none"> • Extensive engagement with shareholders on proposed changes to the Remuneration Policy

External advisers

PwC are the Committee's remuneration advisers. They were appointed by the Committee in 2017, following a competitive tender process. They provide independent commentary and advice, together with updates on legislative requirements, best practice and market practice to assist with its decision making.

PwC report directly to the Committee, and are signatory to, and abide by the Code of Conduct for Remuneration Consultants (which can be found at: www.remunerationconsultantsgroup.com). The Committee undertakes due diligence periodically to ensure that the remuneration advisers remain independent of the Group and that the advice provided is impartial and objective. The Committee is satisfied that any conflicts are appropriately managed.

The fees paid to PwC in respect of work carried out for the Committee in 2022 totalled £234,363 and are based on an agreed fee for business-as-usual support (with additional work charged on a time and materials basis). PwC advised on TCFD reporting requirements and also provided tax advice to the Group during 2022.

The Committee also seeks internal advice and support from the Group Chief People Officer, Global Director of Reward and Benefits, Group Reward and Benefits Director, Head of Executive Compensation, Group General Counsel and Company Secretary and Deputy Company Secretary and Head of Governance, as appropriate.

Shareholder voting at shareholder meetings

The following shows the results of the advisory votes on the Annual Statement and Annual Report on Remuneration and the Remuneration Policy at the 2020 and 2022 AGMs:

	For	Against	Total votes cast	Votes withheld
Annual Report on Remuneration (AGM 2022)	76,077,899 (67.55%)	36,541,611 (32.45%)	122,854,091	10,234,581
Remuneration Policy (AGM 2020)	53,240,152 (94.64%)	3,012,332 (5.36%)	56,254,924	2,440

Details of our engagement with shareholders over the relevant year are provided in each year's Annual Report and Accounts.

Single figure of total remuneration for Executive Directors (audited)

The table below sets out the single figures of total remuneration received by each Executive Director during the year ended 31 December 2022 and the prior year. Remuneration relates to the period during which each Executive Director was a member of the Board in this capacity. Please refer to notes below the table and additional disclosure for full details of how the figures are calculated.

	Peter Jackson		Jonathan Hill ¹	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Salary ²	1,130	923	693	594
Benefits ³	7	7	14	14
Pension ⁴	169	138	104	89
Fixed pay	1,306	1,068	810	697
Annual bonus	1,110	2,626	633	1,572
Long-term incentives ⁵	1,661	3,567	941	1,912
Other ⁶	—	4	—	—
Variable pay	2,771	6,198	1,574	3,485
Total	4,077	7,265	2,384	4,181

- For 2022, Jonathan was paid in euros up to 1 March 2022 and in pound sterling from that time. For the purpose of the single figure table, where relevant, his pay has been converted into pound sterling using the EUR:GBP exchange rate over the period 1 January 2022 – 28 February 2022 (£1 = €1.1952). For 2021, values are converted from euros to pound sterling using the 12-month average exchange rate of £1 = €1.1630.
- Salary: represents the total amount earned for the relevant financial year. Peter Jackson's salary at the start of the year was £927,000. This was increased to £1,170,000 on 1 March 2022. Jonathan Hill's salary at the start of the year was €694,220. This was increased to €715,000 on 1 March 2022.
- Relates to the cost of benefits including BUPA and private medical insurance.
- Pension: the pension for both Executive Directors is the value of the cash paid to them in lieu of contributions. Neither of the Executive Directors has a prospective entitlement to a defined benefit pension.
- For the 2020 LTIP, dividends are added at the time of vesting and will be included when this figure is updated in next year's report. For the 2019 LTIP, these have been included. For Peter Jackson, £0.4m of the 2020 LTIP (or 27%) is attributable to share price growth, whilst for Jonathan Hill £0.3m of this (or 27%) is attributable to share price growth. For Peter Jackson, £1.3m of the 2019 LTIP is attributable to share price growth, whilst for Jonathan Hill £0.7m of this is attributable to share price growth. The TSR element of the 2019 LTIP vested in March 2022 and the US Value measure will vest in July 2023. The performance outcome of the US Value measure has been estimated at maximum, based on the valuation reached in December 2020 to increase Flutter's stake in FanDuel. The outcome will be retested in July 2023 when the award vests, as previously communicated.
- Other includes the value of Peter Jackson's SAYE award on the date of the grant.

2022 annual bonus (audited)

The maximum annual bonus opportunity for Executive Directors in 2022 was 285% and 265% of salary for the CEO and CFO respectively. Target bonus was two-thirds of the relevant maximum. The 2022 annual bonus was based on Group EBIT (excluding US business performance), FanDuel: Net revenue in existing states and a safer gambling measure. The table below shows the outcome for each element, relative to the extremely stretching targets set at the start of the year:

	Weighting	Performance targets ¹			Actual performance	Bonus outcome (% of max)	Bonus outcome (% of target)	Bonus outcome	
		Threshold	Target	Maximum				Peter Jackson	Jonathan Hill ²
EBIT ex. US	60%	£1,102m	£1,146m	£1,205m	£1,003m	0%	0%		
FanDuel: Net revenue from all verticals in existing states	30%	\$1,798m	\$2,116m	\$2,433m	\$2,307m	26%	39%		
Safer gambling ³ :	10%								
UK&I	2.5%	1%	2%	4%	6.7%	2.5%	3.8%		
Sportsbet	2.5%	13.5%	15.0%	16.5%	15.2%	1.8%	2.6%		
International	2.5%	33.5%	36.5%	39.6%	45.1%	2.5%	3.8%		
FanDuel	2.5%	Various measures, as detailed below			Target	1.7%	2.5%		
Total						34.5%	51.7%	£1,109,615	£632,697

- Awards pay out on a straight-line basis between the points shown.
- Jonathan was paid in euros up to 1 March 2022 and in pound sterling from that time. As such, he will be paid €105,690 through the Irish payroll and £544,267 through the UK payroll.
- This year we were able to include all divisions in our SG measure. As our divisions operate within different regulatory and societal contexts, with varying levels of maturity with regards to being able to measure safer gambling, we took the approach of considering safer gambling on a divisional basis for the purposes of setting bonus targets. This allowed us to set targets which are meaningful, linked to divisional strategy, and which could really drive change, tailored to helping to keep our customers safe in the context in which those customers operate. Details of each divisional measure are shown below:
 - UK&I: Transactional Risk Indicator Score, or TRI, which measured the % of revenues from customers who self-exclude (either directly with a Flutter brand or via GamStop) in the year as a proportion of total revenue for that year (target is a reduction year on year on a like-for-like basis). The maximum target was exceeded.
 - Sportsbet: % of net revenue from customers with a deposit limit. This measure measured at just above target.
 - International: % of customers applying a deposit limit, cooling-off period or stake limit. The maximum target was exceeded.
 - FanDuel: As our most nascent market in terms of SG adoption. For the 2022 annual bonus plan, we used a basket of measures as the table below shows:

Measure	Threshold	Target	Maximum	Outturn
Employee training completion (20%)	95%	98%	100%	98.17%
New customer first impressions (40%)	31 Dec 22	8 Sept 22 (NFL kick-off)	1 July 2022	August 22
RG first impressions for all customers aged 21-25 (40%)	31 Dec 22	8 Sept 22 (NFL kick-off)	1 July 2022	August 22

Directors' Remuneration Report 2022 continued

Annual Report on Remuneration continued

2022 annual bonus (audited) continued

In line with market practice and as with previous years, the bonus targets have been adjusted for exchange rate movements over the period ensuring that bonus is measured on a constant currency basis. An adjustment has also been made in respect of the Sisal acquisition in the year.

Prior to approving the annual bonus outcomes, the Committee discussed whether or not the proposed outcome was considered to be fair and reasonable in the context of the Company's overall business performance over the year, as well as the current social and economic environment. Following discussion, whilst the Committee considered the outturn to be low relative to Company performance, it was satisfied that it was appropriate and fair given the wider socio-economic environment.

In line with the Remuneration Policy, half of any bonus earned is deferred into shares under the DSIP, vesting 50% on the third anniversary of the grant and 50% on the fourth anniversary. A revenue underpin of 2% per annum growth will apply. Malus and clawback provisions apply to the annual bonus and DSIP both prior to vesting and for a period of two years post-vesting.

2020 LTIP (audited)

The tables below set out a summary of performance relative to the 2020 LTIP targets, and the outturn for each Executive Director.

Performance measure	Targets		Outcome		
	Threshold 25% of award vests	Maximum 100% of award vests	Actual performance	% of maximum achieved	% of award eligible for vesting
Relative TSR ¹	Growth in line with median (1.3%)	Growth in line with upper quartile (22.3%)	42.0%	100%	100%
Total vesting (% of max)					100%

1. TSR compared with the FTSE 100 (excluding housebuilders, real estate investment trusts and natural resources companies).

Executive Director	Award type	Date of grant	Number of shares awarded	% of total award vesting	Number of shares vesting ¹	Value at vesting ²
Peter Jackson	Nil-cost options	03/03/2020	14,663	100%	14,663	£1,661,318
Jonathan Hill	Nil-cost options	03/03/2020	8,305	100%	8,305	£940,957

1. Dividend equivalent shares will be added to reflect dividends accrued during the vesting period, as appropriate.

2. As the award vests after the publication of this report, the value is based on the average share price over three months to 31 December 2022 of £113.30. For Peter Jackson, £445k of this is attributable to share price growth, whilst for Jonathan Hill £252k of this is attributable to share price growth.

2019 LTIP update (audited)

In last year's Report, we estimated the value of the 2019 LTIP using the three-month average share price to 31 December 2021. We have now updated the values using the actual share price at the date of vesting. Note that the US Value measure will vest in July 2023. The performance outcome of this measure has been estimated at maximum, based on the valuation reached in December 2020 to increase Flutter's stake in FanDuel. The outcome will be retested in July 2023 when the award vests. We have also included dividends, where relevant, which were only calculated at the time of vesting.

Executive Director	Number of shares	3-month average share price to 31 December 2021	Estimated value of LTIP 2019 awards	Dividends	Share price on vesting	Actual value of LTIP 2019 awards
Peter Jackson	37,983	£123.90	£4,706,212	1,875	£89.50	£3,567,291
Jonathan Hill	20,361	£123.90	£2,522,792	1,005	£89.50	£1,912,257

Incentive plan interests awarded in the year (audited)

On 4 March 2022 awards were granted to the Executive Directors under the DSIP and on 8 March 2022 awards were granted to the Executive Directors under the LTIP. Details of these awards are set out in the following table:

	Type of interest in shares	Face value (%)	Face value (£) ¹	Number of shares	Vesting at threshold	End of performance period	Vesting date
Peter Jackson							
LTIP	Nil-cost options	180% of salary	£2,105,971	25,180	25%	31 December 2024	8 March 2025 ²
DSIP	Nil-cost options	50% of net bonus	£1,312,935	14,162	n/a	n/a ³	50%: 4 March 2023 50%: 4 March 2023
Jonathan Hill							
LTIP	Nil-cost options	150% of salary	£1,072,473	12,823	25%	31 December 2024	8 March 2025 ²
DSIP	Nil-cost options	50% of net bonus	£760,579	8,204	n/a	n/a ³	50%: 4 March 2023 50%: 4 March 2024

1. Three-day average share price prior to the date of grant, which was £92.71 for the DSIP and £83.64 for the LTIP.

2. A further two-year holding period applies following the vesting date. Both the LTIP and DSIP are subject to a post-employment holding period of two years.

3. The DSIP is subject to a revenue underpin over the vesting period which requires Revenue growth of at least 2% per annum over the deferral period as well as continued employment.

The 2022 LTIP awards will vest subject to the achievement of TSR performance, as per the vesting schedule below:

Relative TSR ²	Below threshold (nil vesting)	Threshold (25% vesting) ¹	Maximum (100% vesting) ¹
	Below median growth	Growth in line with median	Growth in line with upper quartile

1. Awards vest on a straight-line basis between the points shown.

2. TSR relative to the FTSE 100 (excluding housebuilders, real estate investment trusts and natural resources companies).

Our commitment to safer gambling

At Flutter, we believe that play should always be as safe and sustainable as it is thrilling and enjoyable. It is vital for our business and our industry that we do the right thing by our customers, our people and the planet. We are proud that we have led the market on this; since 2020, our annual bonus plan has included a safer gambling component in it. We started with including the parts of our business in which we were able to set meaningful and robust targets. In 2021, we challenged all divisions to determine suitable bonus metrics for safer gambling and we were pleased that they were all able to identify, refine and test these over the year. As such, the 2022 bonus plan measured safer gambling across all of our divisions for the first time. These measures and targets were disclosed prospectively in last year's Annual Remuneration Report, and the outturns are shown on page 173.

For 2023 we have continued to evolve our safer gambling measures in line with the Play Well pillar of our Positive Impact Plan,

which we launched last year. In determining the bonus measures for 2023, we have ensured a focus across all divisions on promoting tool usage, which we believe to be a core driver of positive play, whilst enabling some degree of flexibility to account for the fact that each division operated within a different regulatory and societal context. The majority of divisions now have the global Play Well tool metric as the measure (in whole or in part) for their safer gambling bonus measure. The global Play Well tool metric is the percentage of Average Monthly Players ("AMPs") using one of our safer gambling tools (e.g. deposit limits, stake limits, time outs etc) on a monthly rolling average basis. More details about our global measure are shown in the Play Well section, on page 51. To underline our commitment to safer gambling, we have increased the weighting of the SG metric from 10% to 20% of the overall bonus. The measures and targets for each division are shown below.

UK&I
Measure: 33% is based on the global metric, and 67% based on Transactional Risk Indicator ("TRI") reduction versus 2022.
Rationale: Moving towards alignment with the global Play Well metric whilst ensuring continuation from 2022 by retaining TRI (which measures "at risk" revenue generated by customers who self-exclude as a proportion of total revenue).
Targets:

Measure (weighting)	Threshold	Target	Maximum
% of AMPs using SG tools (33%)	50%	50.5%	51.0%
TRI reduction versus 2022 (67%)	4% reduction	8% reduction	12% reduction

Sportsbet
Measure: % of net revenue from customers with a deposit limit.
Rationale: Consistency with the measure used in 2022 is considered key in making progress on tackling safer gambling; whilst the actual measure is different to the global metric, it places emphasis on tool usage and proactive interventions.
Targets:

Threshold	Target	Maximum
15.2%	19.0%	22.8%

International
Measure: Global Play Well metric: percentage of AMPs using Safer Gambling tools.
Rationale: Fully aligned with the global Play Well metric. Whilst the targets comprise separate targets for each of the individual brands, for ease, only the overall, consolidated targets are shown here.
Targets:

Threshold	Target	Maximum
57.8%	59.1%	60.4%

FanDuel
Measure: Global Play Well metric: percentage of AMPs using Safer Gambling tools.
Rationale: Fully aligned with the global Play Well metric.
Targets:

Threshold	Target	Maximum
8%	10%	12%

Directors' Remuneration Report 2022 continued

Annual Report on Remuneration continued

Single figure of total remuneration for Non-Executive Directors (audited)

The table below sets out the single figures of total remuneration received by each Non-Executive Director who served during the year ended 31 December 2022:

Non-Executive Director	Board Committee membership	Fees (£'000) ¹	
		2022	2021
Zillah Byng-Thorne ²	Audit, Risk and Sustainability (Chair)	132	112
Michael Cawley ³	Audit (Chair), Risk and Sustainability	41	114
Nancy Cruickshank	Nomination, Risk and Sustainability, Workforce Engagement	107	90
Nancy Dubuc ⁴	Nomination, Remuneration, Workforce Engagement	107	65
Richard Flint ⁵	Risk and Sustainability, Workforce Engagement	211	340
Andrew Higginson ⁶	Nomination, Remuneration (Chair)	149	134
Alfred F. Hurley, Jr ⁷	Nomination, Remuneration (Chair)	115	90
Holly Keller Koepfel ⁸	Audit (Chair), Nomination, Risk and Sustainability	124	62
David Lazzarato ⁹	Audit, Risk and Sustainability (Chair)	124	90
Carolan Lennon ¹⁰	Audit, Nomination, Workforce Engagement	58	—
Gary McGann ¹¹	Nomination (Chair), Remuneration, Chair of the Board	537	477
Atif Rafiq	Risk and Sustainability, Workforce Engagement	113	6
Mary Turner	Audit, Remuneration, Workforce Engagement (Chair)	129	99

1. Fees for Non-Executive Directors are pro-rated according to their appointment date or date of role change where appropriate. Fees are paid in euros, but have been shown here in pound sterling for consistency.
2. Zillah Byng-Thorne stepped down as Chair of the Risk and Sustainability Committee following the 2022 AGM on 28 April 2022, and from the Board on 31 January 2023.
3. Michael Cawley stepped down from the Board and as Chair of the Audit Committee following the 2022 AGM on 28 April 2022.
4. Nancy Dubuc stepped down from the Workforce Engagement Committee on 1 July 2022.
5. Richard Flint provided advisory services to the CEO until 31 May 2022.
6. Andrew Higginson stepped down as Chair of the Remuneration Committee on 1 September 2022 and from the Board on 31 December 2022.
7. Alfred F. Hurley, Jr was appointed Chair of the Remuneration Committee on 1 September 2022.
8. Holly Keller Koepfel was appointed Senior Independent Director on 1 January 2023 and Chair of the Audit Committee following the 2022 AGM on 28 April 2022.
9. David Lazzarato was appointed Chair of the Risk and Sustainability Committee following the 2022 AGM on 28 April 2022.
10. Carolan Lennon was appointed to the Board and as a member of the Audit and Workforce Engagement Committees on 1 July 2022, and the Nomination Committee on 1 September 2022.
11. No fees were paid to the Board Chair for chairing the Nomination Committee.

Implementation of Remuneration Policy for 2023

Total salary

The Committee reviewed the total salaries for the CEO and CFO and determined to award a 4.5% increase for 2023. This takes the Peter Jackson's total salary to £1,222,650, and the Jonathan Hill's total salary to £747,175. In making this decision the Committee took into consideration the levels of increases being awarded to colleagues throughout the organisation and, whilst the Company considers the level of increase as a whole to be commercially sensitive, we can confirm that the total salary increase for the Executive Directors is materially below that of the wider workforce. The following increases will be effective from 1 March 2023.

	1 March 2022	1 March 2023	% increase
Peter Jackson	£1,170,000	£1,222,650	4.5%
Jonathan Hill	£715,000	£747,175	4.5%

Paul Edgecliffe-Johnson's total salary will be set at £750,000 on appointment as CFO, effective 20 March 2023.

Pension and benefits

From 1 January 2023, the current Executive Directors received a cash supplement in lieu of pension contribution of 9% of total salary in 2023 in line with the wider workforce level in the UK, where they are based. They will also receive benefits in line with the Remuneration Policy.

Upon joining, Paul Edgecliffe-Johnson will have the opportunity to participate in the pension plan or receive a cash payment in lieu and receive benefits on the same basis as other Executive Directors.

Annual bonus

The maximum annual bonus opportunity will remain at 285% of total salary for the CEO, and at 265% of total salary for other Executive Directors. As in previous years, the Committee has determined that financial performance targets will not be disclosed on a prospective basis for reasons of commercial sensitivity but will be disclosed retrospectively in next year's Annual Report on Remuneration.

Each year, the Committee reviews the performance measures to ensure that they are aligned to the business's priorities for the coming year; for 2023, we have brought Group Net Revenue back into the plan ensuring that revenue growth across the Group remains a strong focus. The changes also reflect the growing maturity of the US business, as well as the continued importance of this market to the Group. Finally, we have increased the weighting on Safer Gambling, reflecting the importance of continuing to grow a sustainable business.

The performance measures for the 2023 bonus are as follows:

	Weighting
Group Net Revenue	30%
Group EBIT	25%
US EBITDA	25%
Safer Gambling	20%

The Committee may adjust the targets if changes in legislation in any US state(s) occurs, which is unexpected or occurs sooner than expected, and leads to unanticipated revenue streams and/or necessitates additional investment.

Half of any bonus earned will be paid in cash, with the remaining half deferred into shares under the DSIP, vesting 50% after three years and 50% after four years from grant, subject to continued employment and an underpin. For 2023 a revenue underpin of 2% growth per annum will also apply. Awards are eligible to receive dividend equivalents. Malus and clawback provisions apply to the annual bonus and DSIP both prior to vesting and for a period of two years post-vesting.

LTIP

As noted in the Remuneration Committee Chair's Statement, we will grant a consolidated LTIP award comprising four years worth of grants, on 28 April 2023, the day following the 2023 AGM, subject to shareholder approval. The LTIP grant levels are as set out in the table below:

Executive Director	Face value at date of award (£)	Annualised face value	Face value at date of award (% of total salary)	Annualised face value (% of total salary)
Peter Jackson	£19,562,400	£4,890,600	1,600%	400%
Paul Edgecliffe-Johnson	£9,000,000	£2,250,000	1,200%	300%

The first tranche of the awards will vest based on the following Relative TSR targets. An underpin will also apply, whereby the Committee will need to be satisfied that the formulaic outcome appropriately reflects the Company's underlying performance and that it has been achieved with regard to the Company's sustainability objectives, including measures to promote safer gambling. Note that the Committee will review the targets on an annual basis to ensure they are appropriate for the following performance cycle in the context of the business at that time. At this time, relative TSR is expected to be used for future tranches.

	Below threshold (0% vesting)	Threshold (12.5% vesting)	Maximum (100% vesting)
Relative TSR ¹	Below median growth Straight-line vesting between the points shown	Growth in line with median	Growth in line with upper quartile

1. TSR relative to the FTSE 100 (excluding real estate investment trusts and investment trusts).

Save As You Earn ("SAYE")

Executive Directors are eligible to participate in the plan with the same terms as all other UK employees if an invitation to enter a savings contract is offered during the year.

Jonathan Hill transition to Chief Operating Officer role

On 20 March 2023, Jonathan will step down from his role as CFO following the appointment of Paul Edgecliffe-Johnson and transition to the role of COO. He will then step down as an Executive Director following the 2023 AGM, and become a member of the Executive Committee.

Jonathan will receive a total salary, benefits and pension allowance as normal up until the end of his appointment as an Executive Director. His bonus arrangements will also continue unchanged over that period.

Upon his transition to COO, as a member of the Executive Committee, Jonathan's remuneration structure will be consistent with other Executive Committee members who are not Executive Directors. Jonathan will not participate in the new consolidated LTIP award for 2023.

Appointment of Paul Edgecliffe-Johnson

On 21 October 2022, we announced the appointment of Paul Edgecliffe-Johnson, who will join Flutter as CFO on 20 March 2023. The Committee determined Paul's remuneration taking account the vast skills and experience he brings, as well as market price for the role. His remuneration has been set within the parameters of the approved Policy, and consists of:

- a total salary of £750,000;
- a standard Company benefits package including (but not limited to) private medical insurance, life assurance and income protection;
- a cash supplement in lieu of pension contribution of 9% of total salary;
- a maximum annual bonus of 265% of total salary; and
- consolidated LTIP award of 1,200% of total salary (subject to the approval of the Remuneration Policy).

Paul will also be required to comply with the Company's shareholding guidelines. As such, he will be required to build and hold a shareholding to the value of 400% of total salary within five years of his appointment. He will be required to hold the lower of this or his actual shareholding at the time of his departure, for a two-year period post-cessation.

Directors' Remuneration Report 2022 continued

Annual Report on Remuneration continued

Implementation of Remuneration Policy for 2023 continued

Appointment of Paul Edgecliffe-Johnson continued

In accordance with our policy for new joiners, the Committee has agreed to grant Paul nil-cost options over Flutter shares to compensate him for the value of the awards forfeited by him on leaving his previous employment. These are the Annual Performance Plan 2021 deferred shares, Annual Performance Plan 2022 deferred shares, Annual Performance Plan 2023 cash and deferred shares, 2021 LTIP and 2022 LTIP.

In line with our policy and with best practice guidelines, the value of the buy-out awards is equivalent to the awards being forfeited. In calculating their value, the Committee has taken into consideration all relevant factors including any performance conditions attached to the awards, the likelihood of those conditions being met, the delivery mechanism and the vesting schedule of these awards.

In calculating the value of the replacement LTIP awards, we have used a robust testing process to assess the likely vesting outcome based on the disclosed performance targets, with the assistance of our external Remuneration Committee advisers. Each replacement award vests at the date it would normally have vested.

For those awards whose values we have been able to do so already, share awards have been calculated on three-day average share prices over the first three days following the announcement of the CFO transition in which Flutter shares were not subject to a closed period. Full details of these awards are set out in the table below:

IHG award being replaced	Vesting date	Flutter shares granted	Face value of awards ¹	% of salary
Annual Performance Plan 2021 ²	29 February 2025	5,055	£592,952	79%
2021 LTIP ³	10 March 2024	6,910	£810,543	108%
2022 LTIP ³	10 March 2025	9,818	£1,151,652	154%
Total		21,783	£2,555,146	341%

1. Based on the three-day average Flutter share price to 9 November 2022 (being the first three dealing days immediately following the end of the Flutter Closed Period since the announcement) of £117.30.

2. Awards replace non-performance, deferred bonus share awards which vest based on continued service only.

3. These are based on previous employer's performance, for which the performance periods are partially completed. They will vest subject to continued service.

In addition, we will compensate Paul for the following awards, for which the number of shares has not yet been confirmed:

- Annual Performance Plan 2022: we will replace the forfeited deferred share award which would have been granted under the IHG APP 2023. We will calculate the number of Flutter shares following confirmation of the IHG 2022 bonus outturn as published in the 2022 Annual Report, and they will vest on 10 March 2026.
- Annual Performance Plan 2023: The value of this award has been pro-rated from 1 January 2023 to 20 March 2023, and has been reduced to reflect average performance. As such, a total payment of £207,392 will be made. In line with the IHG plan, 50% of this will be payable in cash in March 2024 and 50% will be granted in Flutter shares in March 2024 and will vest on 10 March 2027.

Chair and Non-Executive Director fees

During the year, we reviewed both Non-Executive Director and Chair fees. It was recognised that the level of base fees was out of line with the market and that the demands on all Non-Executive Directors' time had escalated significantly with the increased scale of the Group, its broader international footprint and the pace of strategic development and transaction activity. It was therefore determined that an increase should be made to the base fee. Additional fees for committee chairs were considered to be broadly appropriate and therefore no change was made to these other than for the Workforce Engagement Committee Chair. There was also no change to the fee paid to the Board Chair.

The previous and current fees, which took effect from 1 September 2022, are set out in the table below:

	1 September 2022	1 January 2022
Base fee		
Chair	€630,000	€630,000
Base Non-Executive Director fee	€145,000	€115,000
Additional fees		
Senior Independent Director	€30,000	€30,000
Audit Committee Chair	€30,000	€30,000
Remuneration Committee Chair	€30,000	€30,000
Risk Committee Chair	€30,000	€30,000
Nomination Committee Chair ¹	€20,000	€20,000
Workforce Engagement Committee Chair	€30,000	€20,000

1. If the Board Chair holds the position of Nomination Committee Chair, no additional fee will be paid for the Nomination Committee role.

Percentage change in Directors' remuneration compared with other employees

The table below shows the percentage change in the Chief Executive Officer's remuneration from the prior year compared with the average percentage change in remuneration for all other employees. To provide a relevant comparison, the analysis includes only salaried corporate office UK employees and is based on a consistent set of employees. The Committee considers this to be the most appropriate comparator group.

	Percentage change in 2022 compared with 2021			Percentage change in 2021 compared with 2020			Percentage change in 2020 compared with 2019		
	Total salary/ base fee	Taxable benefits	Annual bonus	Total salary/ base fee	Taxable benefits	Annual bonus	Total salary/ base fee	Taxable benefits	Annual bonus
Peter Jackson	26.2%	3.5%	-57.7%	3.0%	-32.8%	11.5%	21.6%	39.4%	141.9%
Jonathan Hill	20.8%	0.0%	-59.7%	3.0%	-8.6%	6.0%	21.6%	-78.3%	131.9%
Zillah Byng-Thorne	19%	—	—	19%	—	—	-3%	—	—
Michael Cawley ¹	-64%	—	—	15%	—	—	0%	—	—
Nancy Cruickshank	20%	—	—	16%	—	—	59%	—	—
Nancy Dubuc	66%	—	—	—	—	—	—	—	—
Richard Flint	20%	—	—	77%	—	—	—	—	—
Andrew Higginson	12%	—	—	39%	—	—	397%	—	—
Alfred F. Hurley, Jr	20%	—	—	77%	—	—	—	—	—
Holly Keller Koeppel	103%	—	—	—	—	—	—	—	—
David Lazzarato	39%	—	—	77%	—	—	—	—	—
Carolan Lennon	—	—	—	—	—	—	—	—	—
Gary McGann	14%	—	—	23%	—	—	0%	—	—
Atif Rafiq	1,766%	—	—	—	—	—	—	—	—
Mary Turner	31%	—	—	96%	—	—	—	—	—
Corporate office									
UK employees	10.6%	0.2%	-25.7%	12.7%	-0.6%	7.9%	10.8%	20.2%	56.3%

1. Michael Cawley stepped down from the Board in April 2021.

Relative importance of spend on pay

The table below shows the percentage change in total employee pay expenditure and shareholder distributions (i.e. dividends and return of capital) from the financial year ended 31 December 2021 to the financial year ended 31 December 2022.

	2022 (£m)	2021 (£m)	% change
Dividends	—	—	—
Share buy-backs	—	—	—
Total shareholder distributions	—	—	—
Employee remuneration	£1,401.9	£1,049.1	33.6%

CEO pay ratio disclosure

The pay ratios of our CEO relative to UK employees in respect of 2022 and previous years are as follows:

Financial year	Calculation method	CEO pay £'000	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2022	A	4,077	153:1	102:1	57:1
2021	A	8,404	346:1	214:1	122:1
2020	A	7,522	340:1	198:1	114:1
2019	A	2,099	107:1	89:1	54:1
2018	A	1,664	113:1	92:1	54:1

The total pay and benefits of each employee at the 25th, 50th and 75th percentile is as follows:

	25th percentile	Median pay	75th percentile
Total pay	£26,720	£39,993	£71,133
Salary only	£22,716	£31,608	£55,168

The total pay of employees has been calculated in line with the single total figure of remuneration methodology, which includes salary, bonus, pension, benefits, share incentives and any other payments made in the year. We have used calculation method A as it is the most comprehensive. As such, we have used actual pay and benefits from 1 January to 31 December 2022 for any employee who was employed as at 1 October 2022. Joiners, leavers and part-time employees' earnings have been annualised on a full-time equivalent ("FTE") basis, with FTE calculations based on 40 hours per week. For annual bonus payments, bonuses calculated for the 2022 year and to be paid in 2023 have been used with, where possible, actual numbers. Benefits included in the calculation are employer pension/or cash in lieu received and the benefit in kind/P11D value of any taxable benefits.

The ratio has more than halved across all quartiles since last year, which is largely a result of a lower annual bonus outturn. As the CEO has a larger proportion of his overall package weighted towards annual bonus, this has meant a larger relative decrease in his total pay than for the wider workforce. This, along with changes in executives, has been the main driver in the changes in the median pay ratio over time. Both salary and total pay and benefits for the wider workforce have increased by 1.7% since last year. Excluding tombola, which was not included in last year's numbers, the like-for-like increase is 12.5% for salary and 8.7% for total pay. The Committee believes that the ratio is consistent with the pay, reward and progression policies for our UK colleagues as a whole.

Directors' Remuneration Report 2022 continued

Annual Report on Remuneration continued

Implementation of Remuneration Policy for 2022 continued

Directors' shareholdings (audited)

We believe it is important that Executive Directors build up a significant holding in Flutter Entertainment plc shares, in order to align their interests with those of our shareholders. As part of our approved Remuneration Policy, the holdings that the CEO and CFO are required to build and maintain are 300% of salary and 200% of salary respectively over a period of five years from appointment. Shareholding requirements may be met through both beneficially owned shares and vested but unexercised options net of notional tax. Those subject to continued employment or performance assessment are not included.

Post-employment holding periods apply on LTIP awards (from 2020 onwards) and DSIP awards (from 2021 onwards). As such, Executive Directors are required to hold the higher of their actual shareholding at the time of departure and the applicable shareholding requirement for two years post-departure.

The table below shows the shareholding of each Director against their respective shareholding requirement (where relevant) as at 31 December 2022. Since this time, Nancy Cruickshank, Andrew Higginson and Gary McGann each bought Flutter shares (1,255, 3,343, and 2,200 respectively). Peter Jackson and Jonathan Hill both sold some shares (2,285 and 1,727 shares respectively). This included Peter Jackson's SAYE share options. In addition, both Peter Jackson and Jonathan had nil-cost options vest in respect of their LTIP and DSIP awards, and both were granted nil-cost options in respect of their 2022 DSIP and LTIP awards.

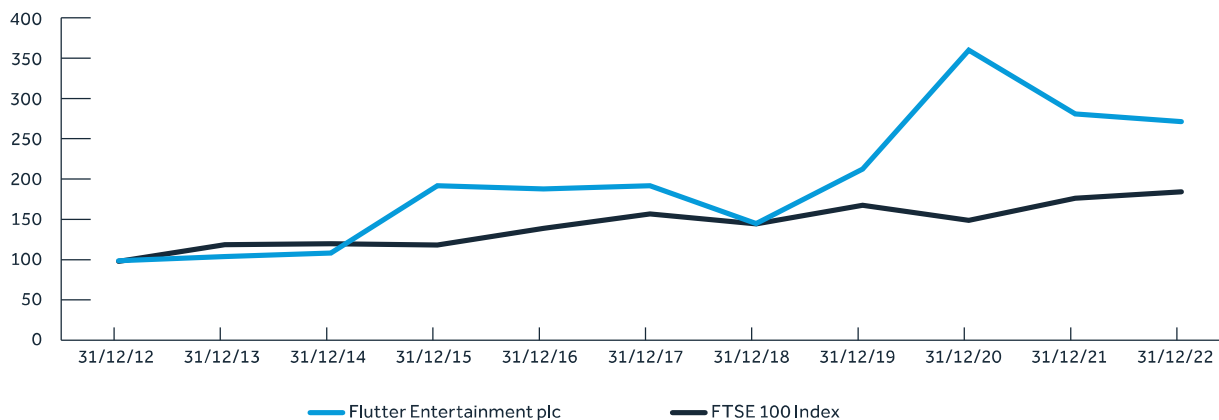
	Beneficially owned ¹	Share options subject to performance	Share options vested but unexercised	Share options subject to continued employment only	Share options exercised in the year	Shareholding requirement (% of salary)	Current shareholding (% of salary) ²	Requirement met?
Peter Jackson	7,561	49,812	72,473	17,834	1,956	300%	409%	Yes
Jonathan Hill	—	26,465	42,914	10,591	—	200%	353%	Yes
Zillah Byng-Thorne	1,287	—	—	—	—	—	—	—
Michael Cawley	3,660	—	—	—	—	—	—	—
Nancy Cruickshank	1,255	—	—	—	—	—	—	—
Nancy Dubuc	—	—	—	—	—	—	—	—
Richard Flint	24,134	—	—	—	—	—	—	—
Andrew Higginson	3,343	—	—	—	—	—	—	—
Alfred F. Hurley, Jr	2,960	—	14,078	—	—	—	—	—
Holly Keller Koepfel	—	—	—	—	—	—	—	—
David Lazzarato	2,708	—	8,291	—	—	—	—	—
Carolan Lennon	376	—	—	—	—	—	—	—
Gary McGann	5,514	—	—	—	—	—	—	—
Atif Rafiq	1,917	—	—	—	—	—	—	—
Mary Turner	4,269	—	7,096	—	—	—	—	—

1. Includes shares held by the individual and those held by persons closely associated with them.

2. Based on beneficially owned shares and vested but unexercised options net of notional tax, a share price of £112.90 and salaries as at 31 December 2022.

Pay for performance

The graph below shows the TSR performance (share price plus dividends paid) of Flutter Entertainment plc¹ compared with the performance of the FTSE 100 Index over the 10-year period to 31 December 2022, assuming a nominal £100 investment in Paddy Power plc¹ and the FTSE 100 Index at the start of the timeframe. This index has been selected because the Company believes that the FTSE 100 provides a relevant and appropriate broad market comparator index for the combined entity and includes companies of a similar size.



1. Paddy Power plc changed its name to Paddy Power Betfair plc on completion of the merger of Paddy Power plc and Betfair Group plc on 2 February 2016. In 2019, Paddy Power Betfair plc was renamed Flutter Entertainment plc.

Change in Chief Executive Officer's single total figure of remuneration

	2013	2014	2015	2016		2017	2018		2019	2020	2021	2022
	Patrick Kennedy	Patrick Kennedy	Andy McCue	Andy McCue	Breon Corcoran	Breon Corcoran	Breon Corcoran	Peter Jackson	Peter Jackson	Peter Jackson	Peter Jackson	Peter Jackson
CEO single figure of remuneration ¹ (£'000)	6,752	6,450	2,701	2,109	1,557	3,233	295	1,664	2,099	7,522	7,265	4,077
Annual bonus outcome (% of maximum)	55%	67%	77%	0% ⁵	67%	60%	0% ⁶	49%	73%	98%	99%	34%
LTIP vesting ² (% of maximum)	95% ³	83% ⁴	100%	100%	100%	100%	64%	n/a ⁷	n/a ⁷	100%	100%	100%

1. Remuneration is converted from euros to pounds sterling as appropriate, using the 12-month average exchange rate over the financial year. Patrick Kennedy and Andy McCue were paid in euros. Breon Corcoran was paid in pound sterling, as is Peter Jackson.
2. Before retesting – note, there is no provision for retesting in respect of LTIP awards made from 2013 onwards.
3. Retesting was applied to the unvested portion of the 2011 LTIP based on performance to 31 December 2014, and as a result an additional 4.9% of the award vested in March 2015.
4. Retesting was applied to the unvested portion of the 2012 LTIP based on performance to 31 December 2015, and as a result an additional 4.0% of the award vested in March 2016.
5. Andy McCue was not eligible for a bonus in 2016 in line with his payment for loss of office.
6. Breon Corcoran was not eligible for a bonus in 2018 in line with his payment for loss of office.
7. Peter Jackson has no LTIPs vesting in these years.